

KUMKANI MHLONTLO LOCAL MUNICIPALITY



In-Year Report of the Municipality

Prepared in terms of the Local Government Municipal Finance Management Act
(56/2003): Municipal Budget and Reporting Regulations, Government Gazette
32141, 17 May 2009

Monthly Budget Statement

March 2026

2025-2026 Financial Year

TABLE OF CONTENTS

Glossary

Executive Summary

Monthly Budget Statement Summary

Financial Performance (Standard Classification

Financial Performance (revenue and expenditure by municipal vote)

Financial Performance (Revenue and Expenditure)

Capital Expenditure (by Municipal Vote)

Financial Position

Cash Flow

PART 2 – SUPPORTING DOCUMENTATION

Material Variances

Debtors' Analysis

Creditors Analysis

Investment Portfolio Analysis

Allocation of grant receipts and expenditure

Expenditure on councillors, employees and managers

Bank Reconciliation

Municipal Manager's Quality Certification

Glossary

Accrual Accounting – An accounting method that measures the performance and position of the municipality by recognising events regardless of when cash transactions occur.

Adjustment Budget – Prescribed in section 28 of the MFMA

Allocations – Money received from other Municipalities, Provincial or National Government.

Budget – Financial Plan of the Municipality.

Budget Related Policy – Policy of a municipality affecting or affected by the budget, examples include credit control policy, rates policy, tariff policy and funding and reserves policy.

Capital Expenditure – Expenditure on items such as machinery, buildings, land, infrastructure (roads).

Cash Flow Statement – Provides aggregate data regarding all cash inflows the municipality receives from both its ongoing operations and external investment sources, as well as all cash outflows that pay for municipality's activities and investments during a month.

DORA – Division of Revenue Act. Annual legislation reflecting total allocations per municipality made by provincial and national governments.

Equitable Share – A general grant paid to municipalities predominantly targeted to help with free basic services.

Fruitless and Wasteful Expenditure – Expenditure made in vain, that would have been avoided had reasonable care been exercised.

MBRR – Local Government Municipal Budget and Reporting Regulations.

MIG – Municipal Infrastructure Grant

MTREF – Medium Term Revenue and Expenditure Framework.

Operating Expenditure – Day to day expenses of the Municipality such as salaries, repairs and maintenance and general expenses.

Strategic Objectives – The main priorities of the Municipality as set out in the IDP. Budgeted spending must contribute towards achieving those objectives.

Unauthorised Expenditure – Spending without budget or in excess of the approved budget

Vote – A department

SECTION 1 – EXECUTIVE SUMMARY

1.1 Introduction

MFMA Section 52(d) states that the mayor must within 30 days of the end of each quarter, submit a report to council on the implementation of the budget and the financial state of affairs of the municipality.

Municipal budget regulations sub-heading 2.5 requires that this report must be in the Section 71 of the MFMA format, which requires that this report must be prepared in the following manner:

- Actual Revenue per revenue source.
- Actual expenditure per vote.
- Actual Capital Expenditure per vote.
- The amount of any allocations received,
- Actual Expenditure on allocations received,
- Actual Expenditure on those allocations,
- Where necessary, explanations on:
 - Any material variances from the municipality's projected revenue per source, and from the municipality's expenditure projections per vote.
 - Any material variances from the SDBIP, and
 - Remedial or corrective steps taken or to be taken by the municipality

2. The statement must include: -

- Projections of municipality's revenue and expenditure for the rest of the financial year, and any revisions from initial projections.

3. The amounts reflected in the statement must in each case be compared with corresponding amounts budgeted for in the municipality's approved budget.

This report has been prepared using the accrual method of accounting. The general idea is that economic events are recognised by matching revenues to expenses (the matching principle) at the time in which the transaction occurs rather than when payment is received or made.

This method allows the current cash inflows/outflows to be combined with future expected cash inflows/outflows to give a more accurate picture of the municipality's current financial position.

Operating Revenue

In the statement of financial performance, revenue accrued is R 310.5 million out of the projected R 267.2 million giving a positive variance of 16%. Variance contributing factors are explained in the subheadings of the revenue items.

Total cash receipts on operating revenue excluding grants totals to R38.6 million since July 2025 out of the expected R40.6 million. The substantial amount received was due to collections on government property rates and VAT refundable.

Property Rates

The amount accrued on rates amounts to R48,2 million out of the expected R31.6 million.

Total actual cash collected on rates since July 2025 is R16.9 million against the expected R35.3 million.

Refuse Removal

Amount accrued on refuse removal is R3.2 million against the expected R1.4 million.

Total actual cash received on refuse removal since July 2025 is R444 thousand out of the expected collection of R1.4 million.

Investment Revenue

This relates to interests received on the call account deposits. Interest received since July 2025 amounts to R4.7 million out of the expected R9.9 million.

Other Revenue

Rental of facilities and Equipment –R38 thousand has been received since July 2025 instead of the expected R37 thousand.

Fines- R459 thousand has been received so far against the expected R1.4 million.

Licenses and permits- R817 thousand has been received since July 2025 and the municipality expected to receive R1.0 million.

Agency Services- The amount collected since July 2025 amounts to R935 thousand, and the expected budget is R1.1 million.

Operating Expenditure

On operating expenditure, R420.3 million was spent against the expected budget of R306.1 million giving rise to a negative variance of more than R114.2 million. This is because on non-cash items like depreciation and debt impairment that have not been accounted for.

Employee Costs

R87.7 million has been spent to date on employee related costs against the expected R100.2 million.

Remuneration of Councillors

Amount spent since July 2025 totals to R14.7 million against the budgeted R18.8 million.

Other Expenditure (Operational Costs)

This line item includes all the other operating expenses like accommodation, telephone, electricity etc. Expenditure is R530.7 million against the expected budget of R149.5 million.

Capital Expenditure

On Capital Expenditure the municipality has spent a total of R99.9 million against the expected R97.4 million budgets to date. This will be explained more on table C5 where departmental expenditures are reflected.

Financial Position

The municipality's current assets exceed the current liabilities. The municipality's ability to pay its short-term liabilities is tested by taking the total current assets and dividing them by current liabilities. This test is mainly used to give an idea of the municipality's ability to pay back its short-term liabilities using the current assets.

Cash Flows

The municipality ended the month with a positive cash and cash equivalents balance.

Table C1- Monthly Budget Statement Summary

The table below reflects on the summary of the total municipality's budget against year-to-date collections or expenditures.

EC156 Mhlontlo - Table C1 Monthly Budget Statement Summary - M09 March

Description	2024/25	Budget Year 2025/26							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	43 028	42 177	49 052	-	48 244	31 633	16 611	53%	49 052
Service charges	4 086	1 879	2 462	351	3 165	1 409	1 755	125%	2 462
Investment revenue	8 965	13 326	6 914	676	4 677	9 995	(5 318)	-53%	6 914
Transfers and subsidies - Operational	253 970	287 766	258 766	60 310	244 413	215 824	28 589	0	258 766
Other own revenue	7 372	11 134	15 300	5 226	9 963	8 350	1 612	19%	11 131
	317 421	356 282	332 495	66 564	310 461	267 212	43 249	16%	328 325
Total Revenue (excluding capital transfers and contributions)									
Employee costs	123 381	133 596	133 596	10 211	87 650	100 197	(12 547)	-13%	133 596
Remuneration of Councillors	24 071	25 005	25 005	-	14 663	18 754	(4 090)	-22%	25 005
Depreciation and amortisation	69	31 653	31 653	-	-	23 740	(23 740)	-100%	31 653
Inventory consumed and bulk purchases	8 322	12 233	11 927	1 056	6 776	9 175	(2 399)	-26%	11 927
Transfers and subsidies	2 740	6 403	7 103	700	1 291	4 802	(3 511)	-73%	7 103
Other expenditure	177 297	199 267	184 932	14 479	(530 658)	149 450	(680 108)	-455%	192 432
					(420 277)				
Total Expenditure	335 880	408 157	394 216	26 445	306 118	(726 395)	-237%	401 716	
Surplus/(Deficit)	(18 458)	(51 875)	(61 721)	40 118	730 738	(38 906)	769 644	-1978%	(73 390)
Transfers and subsidies - capital (monetary allocations)	106 153	96 095	140 293	951	83 002	72 071	10 931	15%	136 095
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-
	87 695	44 220	78 572	41 069	813 740	33 165	780 575	2354%	62 705
Surplus/(Deficit) after capital transfers & contributions									
Surplus/ (Deficit) for the year	87 695	44 220	78 572	41 069	813 740	33 165	780 575	2354%	62 705

Table C2: Statement of Financial Performance by vote

This table reflects the operating budget in the standard classification which are the Government Finance Statistics Functions and Sub-Functions. These are used by National Treasury to assist the compilation of national and international accounts for comparison purposes, regardless of organisational structures used by different institutions. The main functions are Governance and administration, Community and public safety, Economic and environmental services, and Trading Services. It is for this reason that the financial performance is reported in standard classification, Table C2 and by municipal vote, Table C3.

EC156 Mhlontlo - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M09 March

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
Governance and administration		163 534	165 277	169 906	30 790	162 572	123 958	38 614	31%	165 737
Executive and council		30 024	30 097	30 097	7 779	31 118	22 573	8 545	38%	30 097
Finance and administration		133 510	135 180	139 809	23 011	131 454	101 385	30 069	30%	135 640
Community and public safety		51 452	38 086	38 086	14 700	60 831	28 565	32 267	113%	38 086
Community and social services		4 218	4 137	4 137	1	1 164	3 103	(1 939)	-62%	4 137
Public safety		47 234	33 949	33 949	14 699	59 667	25 462	34 206	134%	33 949
Economic and environmental services		161 224	177 249	192 447	16 201	134 259	132 937	1 322	1%	188 249
Planning and development		159 258	151 093	158 291	15 924	132 489	113 320	19 169	17%	154 093
Road transport		1 966	26 156	34 156	277	1 771	19 617	(17 847)	-91%	34 156
Trading services		47 365	71 765	72 348	5 824	35 801	53 824	(18 023)	-33%	72 348
Energy sources		8 525	19 400	19 400	-	10 664	14 550	(3 886)	-27%	19 400
Waste management		38 841	52 365	52 948	5 824	25 137	39 274	(14 137)	-36%	52 948
Total Revenue - Functional	2	423 575	452 378	472 787	67 515	393 463	339 283	54 180	16%	464 420
Expenditure - Functional	-									
Governance and administration		178 637	201 926	204 860	14 150	121 439	151 445	(30 005)	-20%	212 360
Executive and council		62 455	61 893	71 147	2 112	52 996	46 420	6 577	14%	71 147
Finance and administration		116 145	139 790	133 470	12 037	68 413	104 842	(36 430)	-35%	140 970
Internal audit		37	243	243	-	31	183	(152)	-83%	243
Community and public safety		37 665	51 663	53 243	3 210	28 788	38 748	(9 960)	-26%	53 243
Community and social services		26	1 640	1 640	-	13	1 230	(1 217)	-99%	1 640
Sport and recreation		193	465	465	14	186	349	(163)	-47%	465
Public safety		37 446	49 558	51 138	3 196	28 590	37 169	(8 579)	-23%	51 138
Economic and environmental services		99 030	123 650	107 067	7 211	(586 891)	92 737	(679 628)	-733%	107 067
Planning and development		38 236	70 659	54 077	5 537	(602 124)	52 994	(655 118)	-1236%	54 077
Road transport		60 795	52 990	52 990	1 673	15 233	39 743	(24 510)	-62%	52 990
Trading services		20 547	30 918	29 045	1 875	16 387	23 188	(6 802)	-29%	29 045
Waste management		20 547	30 918	29 045	1 875	16 387	23 188	(6 802)	-29%	29 045
Other		-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	335 880	408 157	394 216	26 445	(420 277)	306 118	(726 395)	-237%	401 716
Surplus/ (Deficit) for the year		87 695	44 220	78 572	41 069	813 740	33 165	780 575	23,535935	62 705

Table C4- Statement of Financial Performance

EC156 Mhlontlo - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M09 March

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue										
Service charges - Waste management		4 086	1 879	2 462	351	3 165	1 409	1 755	125%	2 462
Sale of Goods and Rendering of Services		146	114	114	10	101	86	16	18%	114
Agency services		1 130	1 496	1 496	90	935	1 122	(188)	-17%	1 496
Interest								-		
Interest earned from Receivables		588	886	883	86	409	664	(255)	-38%	883
Interest from Current and Non Current										
Assets		8 965	13 326	6 914	676	4 677	9 995	(5 318)	-53%	6 914
Rental from Fixed Assets		45	49	49	2	38	37	2	5%	49
Licence and permits		233	265	265	3	226	198	27	14%	265
Special rating levies		(0)	-	-	-	-	-	-		-
Operational Revenue		(0)	-	-	-	-	-	-		-
Non-Exchange Revenue										
Property rates		43 028	42 177	49 052	-	48 244	31 633	16 611	53%	49 052
Surcharges and Taxes								-		
Fines, penalties and forfeits		392	1 919	1 919	163	459	1 439	(980)	-68%	1 919
Licence and permits		1 048	1 366	1 366	83	817	1 025	(208)	-20%	1 366
						244	215			
Transfers and subsidies - Operational		253 970	287 766	258 766	60 310	413	824	28 589	13%	258 766
Interest		3 545	4 837	4 837	581	2 769	3 628	(858)	-24%	4 837
Gains on disposal of Assets		245	202	4 371	4 208	4 208	151	4 057	2679%	202
Total Revenue (excluding capital transfers and contributions)		317 421	356 282	332 495	66 564	310 461	267 212	43 249	16%	328 325
Expenditure By Type										
							100			
Employee related costs		123 381	133 596	133 596	10 211	87 650	197	(12 547)	-13%	133 596
Remuneration of councillors		24 071	25 005	25 005	-	14 663	18 754	(4 090)	-22%	25 005
Inventory consumed		8 322	12 233	11 927	1 056	6 776	9 175	(2 399)	-26%	11 927
Debt impairment		-	16 904	20 091	-	-	12 678	(12 678)	-100%	20 091
Depreciation and amortisation		69	31 653	31 653	-	-	23 740	(23 740)	-100%	31 653
						(589)	(651)			
Contracted services		42 189	82 833	72 261	4 126	025)	62 125	149)	-1048%	73 261
Transfers and subsidies		2 740	6 403	7 103	700	1 291	4 802	(3 511)	-73%	7 103
Irrecoverable debts written off		31 101	-	-	-	-	-	-		-
Operational costs		104 007	99 530	92 580	10 353	58 367	74 647	(16 280)	-22%	99 080
Total Expenditure		335 880	408 157	394 216	26 445	(420 277)	306 118	(726 395)	-237%	401 716
Surplus/(Deficit)		(18 458)	(51 875)	(61 721)	40 118	730 738	(38 906)	769 644	(0)	(73 390)
Transfers and subsidies - capital (monetary allocations)		106 153	96 095	140 293	951	83 002	72 071	10 931	0	136 095
Transfers and subsidies - capital (in-kind)								-		
Surplus/(Deficit) after capital transfers & contributions		87 695	44 220	78 572	41 069	813 740	33 165	780 575	0	62 705
Income Tax								-		
Surplus/(Deficit) after income tax		87 695	44 220	78 572	41 069	813 740	33 165	780 575	0	62 705
Surplus/(Deficit) attributable to municipality		87 695	44 220	78 572	41 069	813 740	33 165	780 575	0	62 705
Surplus/ (Deficit) for the year		87 695	44 220	78 572	41 069	740 813 740	33 165	780 575	0	62 705

Table C5: Capital Expenditure (Municipal Vote, standard classification, and funding)

Year to date budget is R97.4 million whilst expenditure is sitting at R99.9 million.

EC156 Mhlontlo - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M09 March

Vote Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Single Year expenditure appropriation	2									
Vote 11 - (11: CAPEX)		-	191	191	-	-	143	(143)	-100%	191
Vote 15 - FINANCE AND ADMIN (32: CAPEX)		5 109	-	-	-	-	-	-		-
Vote 16 - PLANNING AND DEVELOPMENT (33: CAPEX)		131	-	-	-	-	-	-		-
Vote 18 - PUBLIC SAFETY (37: CAPEX)		200	-	-	-	-	-	-		-
Vote 19 - WASTE MANAGEMENT (40: CAPEX)		2 022	-	-	-	-	-	-		-
Vote 20 - ROAD TRANSPORT (42: CAPEX)		45 563	-	-	-	-	-	-		-
Vote 21 - RATES AND GENERAL SERVICES (61: CAPEX)		64 974	129 634	177 808	12 160	99 981	97 225	2 756	3%	185 771
		-	-	-	-	-	-	-		-
Total Capital single-year expenditure	4	117 999	129 825	177 999	12 160	99 981	97 369	2 613	3%	185 962
Total Capital Expenditure		117 999	129 825	177 999	12 160	99 981	97 369	2 613	3%	185 962
Capital Expenditure - Functional Classification										
Governance and administration		5 109	11 476	14 476	69	4 966	8 607	(3 641)	-42%	15 476
Executive and council		-	1 974	1 974	-	-	1 480	(1 480)	-100%	1 974
Finance and administration		5 109	9 502	12 502	69	4 966	7 127	(2 161)	-30%	13 502
Internal audit										
Community and public safety		1 856	15 955	8 325	565	856	11 967	(11 110)	-93%	8 455
Community and social services		1 656	9 712	6 712	-	-	7 284	(7 284)	-100%	6 712
Sport and recreation										
Public safety		200	6 243	1 613	565	856	4 683	(3 826)	-82%	1 743
Economic and environmental services		90 674	83 285	136 489	6 307	78 648	62 464	16 185	26%	140 322
Planning and development		22 833	14 069	12 769	-	10 600	10 552	48	0%	14 069
Road transport		67 841	69 216	123 720	6 307	68 048	51 912	16 136	31%	126 253
Trading services		20 360	19 109	18 709	5 219	15 511	14 332	1 179	8%	21 709
Energy sources		18 338	16 870	16 870	5 219	14 492	12 652	1 840	15%	16 870
Waste management		2 022	2 239	1 839	-	1 019	1 679	(661)	-39%	4 839
Total Capital Expenditure - Functional Classification	3	117 999	129 825	177 999	12 160	99 981	97 369	2 613	3%	185 962
Funded by:										
National Government		101 550	88 544	143 048	6 014	79 354	66 408	12 946	19%	145 581
Provincial Government		2 575	8 000	8 000	-	5 340	6 000	(660)	-11%	8 000
Transfers recognised - capital		104 125	96 544	151 048	6 014	84 694	72 408	12 286	17%	153 581
Internally generated funds		13 874	33 281	26 951	6 146	15 287	24 961	(9 674)	-39%	32 381
Total Capital Funding		117 999	129 825	177 999	12 160	99 981	97 369	2 613	3%	185 962

Table C6: Statement of Financial Position

EC156 Mhlontlo - Table C6 Monthly Budget Statement - Financial Position - M09 March

Description	Ref	2024/25	Budget Year 2025/26			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		73 792	67 707	61 396	156 944	41 470
Trade and other receivables from exchange transactions		2 616	4 189	3 304	5 853	4 189
Receivables from non-exchange transactions		(127)	16 975	13 818	36 697	18 656
Current portion of non-current receivables						
Inventory		–	(0)	(0)	5 680	(217 835)
VAT		11 793	(21 515)	(24 666)	5 360	(22 877)
Other current assets		7 814	38 442	39 805	22 563	39 141
Total current assets		95 889	105 799	93 657	233 097	(137 257)
Non current assets						
Investments						
Investment property		17 239	5 983	5 983	17 239	5 983
Property, plant and equipment		638 816	587 743	635 916	1 314 004	829 650
Biological assets						
Living and non-living resources						
Heritage assets						
Intangible assets		24	44	44	24	44
Trade and other receivables from exchange transactions						
Non-current receivables from non-exchange transactions						
Other non-current assets						
Total non current assets		656 079	593 769	641 943	1 331 268	835 677
TOTAL ASSETS		751 968	699 568	735 600	1 564 365	698 421
LIABILITIES						
Current liabilities						
Bank overdraft						
Financial liabilities						
Consumer deposits						
Trade and other payables from exchange transactions		29 144	14 882	14 882	33 051	14 882
Trade and other payables from non-exchange transactions		9 405	5 120	5 120	56 869	5 120
Provision		30 253	40 778	42 458	34 385	42 458
VAT		8 096	5 219	5 219	11 513	5 219
Other current liabilities		4 337	3 713	3 713	1 700	3 713
Total current liabilities		81 235	69 713	71 393	137 518	71 393
Non current liabilities						
Financial liabilities						
Provision						
Long term portion of trade payables						
Other non-current liabilities						
Total non current liabilities		–	–	–	–	–
TOTAL LIABILITIES		81 235	69 713	71 393	137 518	71 393
NET ASSETS	2	670 733	629 856	664 207	1 426 846	627 028
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		583 038	629 856	664 207	612 515	664 207
Reserves and funds						
Other						
TOTAL COMMUNITY WEALTH/EQUITY	2	583 038	629 856	664 207	612 515	664 207

Table C7: Cash flow

The table below reflects no problems in the cash flows of the institution.

EC156 Mhlontlo - Table C7 Monthly Budget Statement - Cash Flow - M09 March

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		16 899	26 006	29 922	312	16 655	19 504	(2 849)	-15%	29 922
Service charges		686	1 318	1 727	1	1	989	(988)	-100%	1 727
Other revenue		3 673	21 027	18 784	5 322	14 899	15 770	(871)	-6%	18 784
Transfers and Subsidies - Operational		254 569	285 970	256 970	119 684	419 324	214 477	204 847	96%	256 970
Transfers and Subsidies - Capital		76 670	96 095	140 293	29 452	146 057	72 071	73 986	103%	140 293
Interest		8 492	-	5 720	14	14	-	14	#DIV/0!	5 720
Dividends								-		
Payments										
Suppliers and employees		(337 819)	(346 606)	(312 417)	(30 674)	(251 899)	(259 954)	8 055	-3%	(326 133)
NET CASH FROM/(USED) OPERATING ACTIVITIES		23 169	83 810	140 999	124 112	345 052	62 858	(282 194)	-449%	127 283
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	1 492	3 334	-	3 334	#DIV/0!	-
Payments										
Capital assets		(174 251)	(149 299)	(204 119)	(12 194)	(89 363)	(111 974)	22 611	-20%	(204 119)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(174 251)	(149 299)	(204 119)	(10 702)	(86 029)	(111 974)	(25 945)	23%	(204 119)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-		-
NET INCREASE/ (DECREASE) IN CASH HELD		(151 081)	(65 489)	(63 120)	113 410	259 023	(49 116)			(76 836)
Cash/cash equivalents at beginning:		112 231	124 982	124 982	-	71 442	93 737	(22 295)		124 982
Cash/cash equivalents at month/year end:		(38 850)	59 493	61 862	113 410	330 464	44 620			48 146

PART 2: SUPPORTING DOCUMENTATION

Table SC3: Aged Debtors

The municipality is being owed a total amount of R175.3 million of which the biggest portion is on government department with R79.5 million being owed by this group of debtors.

The second biggest is household's debtors that are sitting at R56.6 million. The business debtors owing just over R39,2 million.

EC156 Mhlontlo - Supporting Table SC3 Monthly Budget Statement - aged debtors - M09 March

Description	NT Code	Budget Year 2025/26										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy	
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days			
R thousands														
Debtors Age Analysis By Income Source														
Trade and Other Receivables from Exchange Transactions - Water	1200	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	4	1	1	9	751	3	140	635	-	151	144	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Management	1600	447	431	427	19	340	347	21	379	-	23	22	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1810	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	1820	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	-	-	-	-	-	-	-	-	-	-	-	-	-
Total By Income Source	2000	4764	1797	1769	28	091	3813	162014	-	175276	166945	-	-	
2024/25 - totals only														
Debtors Age Analysis By Customer Group														
Organs of State	2200	334	333	333	2	15	702	777	-	79	78	-	-	
Commercial	2300	261	589	556	2	409	422	34	-	496	496	-	-	
Households	2400	2	261	589	2	409	422	34	-	39	35	-	-	
Other	2500	170	876	880	24	667	689	51	-	217	812	-	-	
Total By Customer Group	2600	4764	1797	1769	28	091	3813	162014	-	175276	166945	-	-	

Table SC4: Aged Creditors

EC156 Mhlontlo - Supporting Table SC4 Monthly Budget Statement - aged creditors - M09 March

Description	NT Code	Budget Year 2025/26								Total	Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year		
R thousands											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	(605)	(159)	43	(760)	38	103	(707)	602	(1 445)	
Bulk Water	0200	-	-	-	-	-	-	-	-	-	
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	
Loan repayments	0600	-	-	-	-	-	-	-	-	-	
Trade Creditors	0700	1 169	545	(6)	-	47	22	774	21	2 572	
Auditor General	0800	-	-	-	-	-	-	-	(25)	(25)	
Other	0900	37	787	-	-	-	-	-	-	824	
Medical Aid deductions	0950	-	-	-	-	-	-	-	-	-	
Total By Customer Type	1000	602	1 172	38	(760)	85	125	67	598	1 926	-

Table SC5: Investment Portfolio Analysis

All the call deposits are highly liquid short-term investments and are held for the purpose of meeting short-term commitments rather than the purpose of earning a return (interest).

The table below reflects on account balances as at the end of the 31 March 2026. Total cash available was R141.5 million.

EC156 Mhlontlo - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M09 March

Investments by maturity Name of institution & investment ID R thousands	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/No)	Variable or Fixed interest rate	Interest Rate ^a	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
		Yrs/Months												
Municipality														
20-FNB:Equitable Share 1		12 (M)	3	Y	2	5,15	0	0	20260630	29 642	227	59 842	(68 775)	20 936
23-FNB:Electrification Prog		12 (M)	3	Y	1	6,5	0	0	20260630	80	23	8 730	(6 002)	2 831
24-FNB:Gcunu Lots Project		12 (M)	3	Y	2	5,5	0	0	20260630	556	7	(0)	(7)	556
25-FNB:LED		12 (M)	3	Y	2	3,65	0	0	20260630	1 197	15	-	(15)	1 197
30-FNB:Municipal IDP		12 (M)	3	Y	2	4,55	0	0	20260630	515	17	1 486	(17)	2 001
31-FNB:Revolving Fund		12 (M)	3	Y	2	5,15	0	0	20260630	70 979	836	7 032	(17 336)	61 512
32-FNB:MIG		12 (M)	3	Y	2	5,5	0	0	20260630	4 527	54	9 612	(3 213)	10 981
33-FNB:Bulk Housing Mhlontlo		12 (M)	3	Y	2	5,15	0	0	20260630	11	0	-	(0)	11
34-FNB:MSIG		12 (M)	3	Y	2	5,15	0	0	20260630	138	230	49 526	(9 496)	40 398
35-FNB:FMG		12 (M)	3	Y	2	3,25	0	0	20260630	1 064	14	-	(14)	1 064
36-FNB:Investment Fund		12 (M)	3	Y	1	2,5	0	0	20260630	-	-	-	-	-
37-FNB:Public Sector Cheque		12 (M)	3	Y	1	2,5	0	0	20260630	8	-	-	-	8
Municipality sub-total										108 718	1 423	136 228	(104 874)	141 496

Entities														
Entities sub-total										-	-	-	-	-
TOTAL INVESTMENTS AND INTEREST	2									108 718	1 423	136 228	(104 874)	141 496

Table SC6: Grants Receipts

The grants that were expected since July 2025 were received. The table below reflects on individual grants received.

EC156 Mhlontlo - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M09 March

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:	1,2									
- Operating Transfers and Grants										
National Government:		245 422	246 368	246 368	60 283	243 040	184 776	58 264	31,5%	246 368
Equitable Share		241 156	239 367	239 367	59 842	239 367	179 525	59 842	33,3%	239 367
Expanded Public Works Programme									19,1%	
Integrated Grant		1 966	1 982	1 982	277	1 771	1 487	284	10,3%	1 982
Local Government Financial Management Grant		2 300	2 300	2 300	164	1 902	1 725	177		2 300
Municipal Infrastructure Grant		-	2 719	2 719	-	-	2 039	(2 039)	-100,0%	2 719
Provincial Government:		5 131	39 602	10 602	-	1 134	29 701	(28 567)	-96,2%	10 602
Specify (Add grant description)		5 131	39 602	10 602	-	1 134	29 701	(28 567)	-96,2%	10 602
District Municipality:		-	-	-	-	-	-	-		-
Specify (Add grant description)		-	-	-	-	-	-	-		-
Other grant providers:		3 417	1 796	1 796	27	239	1 347	(1 108)	-82,2%	1 796
Peoples Housing Process (Housing)		1 442	-	-	-	-	-	-		-
Transport, Education and Training SETA		1 975	1 796	1 796	27	239	1 347	(1 108)	-82,2%	1 796
Total Operating Transfers and Grants	5	253 970	287 766	258 766	60 310	244 413	215 824	28 589	13,2%	258 766
Capital Transfers and Grants										
National Government:		106 153	96 095	132 293	951	83 002	72 071	10 931	15,2%	128 095
Integrated National Electrification Programme Grant		8 525	19 400	19 400	-	10 664	14 550	(3 886)	-26,7%	19 400
Municipal Disaster Response Grant		45 998	25 037	61 235	496	20 177	18 778	1 399	7,5%	57 037
Municipal Infrastructure Grant		51 631	51 658	51 658	455	52 161	38 744	13 418	34,6%	51 658
Provincial Government:		-	-	8 000	-	-	-	-		8 000
Specify (Add grant description)		-	-	8 000	-	-	-	-		8 000
District Municipality:		-	-	-	-	-	-	-		-
Other grant providers:		-	-	-	-	-	-	-		-
Human Settlement Re-development Programme		-	-	-	-	-	-	-		-
Total Capital Transfers and Grants	5	106 153	96 095	140 293	951	83 002	72 071	10 931	15,2%	136 095
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	360 123	383 861	399 059	61 261	327 415	287 896	39 520	13,7%	394 861

Table SC7: Grants expenditure

The table below reflects on grants' expenditures since July 2025. Also, these amounts are inclusive of VAT.

Finance management grant's expenditure amounts to R1,9 million. This amount was used on interns' salaries and training. Library grant expenditure amounts to R1.4 million and was used in paying the librarians' events and salaries. MIG capital expenditure amounts to R52.2 million. Electrification project expenditure amounts to R16.7 million. EPWP expenditure amounts to R1.8 million. EPWP(DEDEAT) expenditure amounts to R0.00 thousand MDRG (Recovery) expenditure amounts to R20.2 million.

EC156 Mhlontlo - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M09 March

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		307 954	358 959	340 494	24 760	(445 729)	269 219	(714 948)	-265,6%	347 494
Equitable Share		302 900	323 876	322 644	22 506	181 173	242 907	(61 733)	-25,4%	329 644
Expanded Public Works Programme										
Integrated Grant		-	1 982	1 982	52	450	1 487	(1 037)	-69,8%	1 982
Local Government Financial Management Grant		1 198	2 082	2 082	74	1 556	1 561	(5)	-0,3%	2 082
Municipal Infrastructure Grant		2 893	2 719	2 719	264	2 311	2 039	272	13,3%	2 719
Specify (Add grant description)		963	28 300	11 067	1 865	(631 219)	21 225	444	-	11 067
Provincial Government:		638	27 648	10 415	1 860	(631 340)	20 736	(652 077)	-	10 415
Specify (Add grant description)		638	27 648	10 415	1 860	(631 340)	20 736	(652 077)	-	10 415
District Municipality:		325	652	652	4	121	489	(368)	-75,2%	652
Specify (Add grant description)		325	652	652	4	121	489	(368)	-75,2%	652
Other grant providers:		325	652	652	4	121	489	(368)	-75,2%	652
Specify (Add grant description)		325	652	652	4	121	489	(368)	-75,2%	652
Total operating expenditure of Transfers and Grants:		309 243	387 911	352 213	26 629	(1 076 827)	290 933	(1 367 760)	-470,1%	359 213
Capital expenditure of Transfers and Grants										
National Government:		110 213	96 544	151 048	6 014	84 694	72 408	12 286	17,0%	310 619
Integrated National Electrification Programme Grant		18 338	16 870	16 870	5 219	14 492	12 652	1 840	14,5%	33 739
Municipal Disaster Recovery Grant		13 397	23 153	73 793	432	21 388	17 365	4 023	23,2%	195 639
Municipal Disaster Response Grant		34 667	-	3 864	-	0	-	0	#DIV/0!	-
Municipal Infrastructure Grant		41 236	48 521	48 521	363	43 474	36 391	7 083	19,5%	73 241
Specify (Add grant description)		2 575	8 000	8 000	-	5 340	6 000	(660)	-11,0%	8 000
Provincial Government:		2 575	8 000	8 000	-	5 340	6 000	(660)	-11,0%	8 000
Specify (Add grant description)		2 575	8 000	8 000	-	5 340	6 000	(660)	-11,0%	8 000
Total capital expenditure of Transfers and Grants		112 788	104 544	159 048	6 014	90 035	78 408	11 626	14,8%	318 619
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		422 031	492 455	511 262	32 643	(986 792)	369 342	(1 356 134)	-367,2%	677 832

QUALITY CERTIFICATE

I, _____ (Full Names), the Municipal Manager of **Kumkani Mhlontlo Local Municipality** hereby certify that the **Section 71 Report** for the month ended 31 March 2026 has been prepared in accordance with the Local Government: Municipal Finance Management Act 2003 (Act 56 of 2003) and regulations made under the Act.

Mr L Ndabeni

MUNICIPAL MANAGER

DATE

RECEIPT BY THE MAYOR

I, _____ (Full Names), the Mayor of **Kumkani Mhlontlo Local Municipality**, hereby accept the **Section 71 report** of the municipality for the month ended 31 March 2026 as presented by the Municipal Manager in terms of the Local Government: Municipal Finance Management Act 2003 (Act 56 of 2003) and regulations made under the Act.

Cllr. M. Jara

MAYOR

DATE

